

**RHODE ISLAND HOUSING RESOURCES COMMISSION
RULES AND REGULATIONS OF THE COMMISSION
APPLICABLE TO THE STATE LEAD HAZARD REDUCTION PROGRAM**

SECTION 1. PROGRAM PURPOSES

1.1 Program Purposes and Objectives. The Rhode Island Housing Resources Commission (the “Commission”), hereby promulgates Rules and Regulations (the “Regulations”) applicable to the Lead Hazard Reduction Program (“LHRP”). The primary purpose of the LHRP is to eliminate lead hazards in properties throughout the state. The Commission has been designated by the Rhode Island State Legislature to administer the LHRP. These Rules and Regulations set forth criteria established by the administrative entities to determine the method by which the Commission will allocate LHRP funds.

SECTION 2. CONSTRUCTION OF RULES AND REGULATIONS

2.1 Definitions. As used in these Regulations:

2.2.1 “Act” means the Rhode Island Housing Resources Commission Act of 1998 more particularly set forth in Chapter 128 of Title 42 of the Rhode Island General Laws of 1956, as amended.

2.2.2 “Agreement” means the agreement between the Corporation and an applicant, more particularly described in Section 8 of these Regulations.

2.2.3 “Commission means the Rhode Island Housing Resources Commission, a public corporation organized and existing under the Act.

2.2.4 “Corporation” or “Rhode Island Housing” means Rhode Island Housing and Mortgage Finance Corporation, a public corporation organized and existing under Chapter 55 of Title 42 of the Rhode Island General Laws, as amended.

2.2.5 “EBL” means a confirmed elevated blood lead level greater than or equal to ten (10) micrograms of lead per deciliter of whole blood (ug/dl) in a child under six years of age.

2.2.6 “Lead Regulations” means the Rhode Island Rules and Regulations for Lead Poisoning Prevention as published by the Rhode Island Department of Health and amended from time to time.

2.2.7 “MFI” means the median family income of the area, as determined by the United States Department of Housing and Urban Development, as adjusted for family size.

SECTION 3. ALLOCATION OF FUNDS

3.1 Eligible Owners. Generally, eligibility for LHRP funds is limited to private owners of owner-occupied and/or rental housing units housing children six years of age and under. Units must be solely owned by an individual(s) or a nonprofit organization. Individual owners who own more than 12 housing units within the state of Rhode Island are not eligible for LHRP funds. There is no limit, however, on the number of units owned by nonprofit organizations. Properties placed in receivership pursuant to court order due to lead hazards and foreclosed properties held by Rhode Island Housing and Mortgage Finance Corporation are eligible for funding.

3.2 Low Income Targeting. Owners must fall within certain income guidelines or serve tenants who fall within certain guidelines in order to be eligible for LHRP funds. Owner occupants must have incomes which fall below 115% of median income. Investor owners must have incomes that fall below 80% of median income or receive rents that are less than applicable Fair Market Rents.

3.3 Funding Terms. Eligible owners will be provided deferred loans, payable at the time of sale or transfer of the property. In the case of investor-owners and nonprofit organizations, loans will be payable if the rent received for the remediated unit exceeds the applicable Fair Market Rents. The terms offered shall be as follows:

<u>Applicant Status</u>	<u>Interest Rate</u>
Owner Occupant with Income below 80% of MFI:	0%
Owner-Occupant with Income Between 80% and 115% of MFI:	3%
Investor-Owners with Income below 80% of MFI:	0%
Investor-Owners with Income above 80% MFI and Nonprofit Corporations charging rents below Fair Market Rent:	3%

3.4 Priorities. The highest priority will be given to applicants who own units housing children with EBL's. A second priority will be given to applicants who own units which have been cited for lead hazards by the Rhode Island Department of Health and are required to abate the lead hazards that have been identified. Property owners who have demonstrated a chronic failure to comply despite having access to resources will be excluded from this priority. A third priority will be given to units being used for home-based daycare or foster/adoptive care. A fourth priority will be given to investor-owners currently providing housing with families with Section 8 certificates or vouchers. A fifth priority will be given to projects sponsored by nonprofit organizations. Property owners who have not commenced abatement in response to a DOH notice to abate lead hazards within 180 days of such notice (without receiving a hardship variance from DOH) shall be the last priority for funding.

3.5 Reservations. (a) A set-aside of \$300,000 will be earmarked specifically for the approximately 20 to 30 children who are hospitalized each year with severe lead poisoning. The program will rely on the Rhode Island Department of Health to identify these cases and provide program and application information to the families. Income and ownership restrictions will be waived on these units. (b) A set-aside of \$200,000 will be earmarked specifically until May 1, 2000, as 0% loans for lead hazard reduction and related repairs in properties held in receivership and recommended for financing by the Attorney General's office.

SECTION 4. ELIGIBLE ACTIVITIES

4.1 Generally. Eligible activities include lead inspections and lead hazard control and reduction activities such as window and door replacement, paint stabilization, encapsulation, replacement, soil remediation and removal, other rehabilitation activities that are specifically required to carry out effective lead hazard control and reduction and without which the abatement could not be effected, costs associated with relocating tenants, and phlebotomy activities.

SECTION 5. APPLICATION PROCESS

5.1 Threshold Requirements. Threshold requirements established for the receipt of LHRP funds are as follows:

5.1.1 All proposed activities for which funding with LHRP funds is requested must be eligible in accordance with Section 4 of these Regulations.

5.1.2 All applicants must be eligible entities as defined in Section 4 of these Regulations.

5.2 Submission of Applications for Funding. The Housing Resources Commission will announce its annual allocation of funds for the LHRP. The Corporation will begin accepting applications on a rolling basis. Applications will be processed in order of receipt using the priorities outlined in Section 3.3 of these Regulations.

5.3 Processing of Applications. Applications will be reviewed by Corporation staff to determine eligibility, identify priority applicants and completeness. The award of funds shall be by approval of Corporation staff.

5.4 Appeals. Applicants who are denied may appeal the decision to a committee appointed by the Corporation's Executive Director and will be provided a chance to demonstrate their eligibility.

SECTION 6. CONTENTS OF THE APPLICATION

6.1 Application Requirements. Applicants will be required to provide general property information, tax returns, lease and tenant information and other information necessary to determine eligibility. In addition, applicants will be required to agree to keep the rents restricted for a period of five years following lead hazard reduction work. Credit worthiness will not be a determining factor in processing applications.

SECTION 7. PROGRAM ADMINISTRATION

7.1 Inspection Process. Following approval of the application, the Corporation will order a comprehensive lead inspection on the enrolled units to be completed by a private lead inspector, except where previously performed. As soon as available, a copy of the inspection report will be sent to Rhode Island Housing, the property owner and the Rhode Island Department of Health, according to state law.

7.2 Scope of Work. Corporation staff will work with property owners to determine an appropriate scope of work which addresses all identified lead hazards. An estimation of the cost of the work will be completed.

7.3 Contracting. Using the approved scope of work, Corporation staff will invite all licensed Lead Hazard Reduction and Lead Safe Remodeler and Renovator Contractors in the state to attend a walk-through of the property. Licensed Lead Remodeler and Renovator Contractors will be limited to projects requiring lead hazard control measure as defined by the Rhode Island Department of Health under Section 14.0 of the Rules and Regulations for Lead Poisoning Prevention and further, must have final approval from the Lead Hazard Reduction Program staff. Bids will be received by the Corporation, qualified according to the cost estimates and forwarded to the property owner for selection. The property owner and the chosen contractor will be required to attend a closing at which time loan closing documents and a rehabilitation contract will be executed.

7.4 Relocation. Owner-occupant applicants will be responsible for vacating the premises of the property while lead hazard reduction work is underway. Tenants in enrolled properties will be offered assistance with relocation options by Corporation staff.

7.5 Clearance Inspections. Following the completion of lead hazard reduction work, the contractor will be required to present a Lead-Safe Certificate to the Corporation and the property owner for each enrolled unit. Follow-up inspections must comply with Rhode Island Department of Health regulations.

SECTION 8. MISCELLANEOUS

8.1 Monitoring. To ensure compliance with these Regulations and the Rhode Island Rules and Regulations for Lead Hazard Reduction, the Commission will conduct

site visits and inspections and may require reports and information to document compliance with LHRP requirements.

8.2 Additional Requirements; Waiver of Requirements. The Commission reserves the right to waive any of the foregoing Application requirements at its discretion in any case involving hardship, and to supplement any of the foregoing guidelines and requirements from time to time by Program Bulletin.